

**Public Utility District No. 1 of Kitsap County
The Board of Commissioners Meeting**

**Virtual Meeting
Tuesday, May 26, 2020**

**Zoom Link: <https://us02web.zoom.us/j/89058891143>
Meeting ID: 890 5889 1143**

President Lester called the regular meeting via a Zoom teleconference to order at 9:30 a.m., Tuesday, May, 26, 2020.

Districts Represented: President Debra Lester - North Kitsap, Vice President Heather Pauley - Central Kitsap, Secretary Jim Civilla - South Kitsap

KPUD Staff: General Manager Bob Hunter, Assistant Manager Jason Nutsford, District Engineer Bill Whiteley, Superintendent of Operations Dave Epperson, Water Resources Manager Mark Morgan, Construction Project Manager Todd Smith, Telecom Business Manager Angela Bennink, Telecom Superintendent Paul Avis, IT Manager Paul Green, GIS Manager Katrina Harris, Customer Service Representative Amanda Cheatham and Executive Administrative Assistant Corine Vichi

Visitors: Roger Gay (Citizen)

Approval of Agenda of the May, 26, 2020 Board Meeting

Commissioner Pauley moved that the Agenda of the May, 26, 2020 Board Meeting be approved as amended. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Approval of Minutes of May 12, 2020

Commissioner Pauley moved that the minutes of the May 12, 2020 Board Meeting Minutes be approved as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Approval of Payments through May, 26, 2020

Vouchers audited and certified by the auditing officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090 have been recorded on a listing, which has been made available to the Board. As of this date, May, 26, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 57142 through 57235 in the amount of \$352,106.07 for Accounts Payable of which twelve (12) exceeded \$5,000 and \$250,893.79 for payroll direct deposit through Automated Clearing House Services.

Old Business

None

New Business

Resolution No.20-05-26A Designating the Assistant Manager or his/her Designee to Conduct LUD Hearings

After discussion and upon the recommendation of General Manager Bob Hunter, Commissioner Pauley moved to approve this Resolution Designating the Assistant Manager or his/her Designee to Conduct LUD Hearings, as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-05-26B Telecommunication LUD No.28 (Pirates Cove Ave SW, Port Orchard) Setting time, date and place of Final Assessment Roll Hearing

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink, Commissioner Pauley moved to approve this Resolution setting time, date and place for Final Assessment Roll Hearing of Telecom Local Utility District No.28 (Pirates Cove Ave SW, Port

Orchard) for Tuesday, June 23, 2020 at 12:01 p.m. as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-05-26C Telecommunication LUD No.24 (Fairmont Ln, Bainbridge Island) Setting time, date and place of Final Assessment Roll Hearing

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink, Commissioner Pauley moved to approve this Resolution setting time, date and place for Final Assessment Roll Hearing of Telecom Local Utility District No.24 (Fairmont Ln, Bainbridge Island) for Tuesday, June 23, 2020 at 12:10 p.m. as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-05-26D Amending Resolution No.20-04-28C to clarify that the Facility has a Revolving Line of Credit.

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink and General Manager Bob Hunter, Commissioner Pauley moved to approve Resolution No.20-05-26D Amending Resolution No.20-04-28C to clarify that the Facility has a Revolving Line of Credit as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-05-26E Declaring the Intentions of Telecommunication Non-Contiguous LUD No.33 (Kitsap County) Formation

After discussion and upon the recommendation of Telecom Business Manager Angela, Commissioner Pauley moved to approve this Resolution setting a date and time for a hearing on formation of Non-Contiguous Telecom Local Utility District No. 33 (Kitsap County), for Tuesday, June 23, 2020 at 12:20 p.m. as amended. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-05-26F Telecommunication Non-Contiguous LUD No.33 (Kitsap County) Setting time, date and place of Final Assessment Roll Hearing

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink, Commissioner Pauley moved to approve this Resolution setting time, date and place for Final Assessment Roll Hearing of Telecom Local Utility District No.33 (Kitsap County) for Tuesday, June 23, 2020 at 12:20 p.m. as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Visitor

Commissioner Lester welcomed Mr. Roger Gay and inquired if he had any questions or comments regarding the new business discussed. Mr. Gay responded that he did not.

Customer Service

Assistant General Manager Jason Nutsford reported that the customer service department continues to perform status quo with nothing new of significance to report.

Mr. Nutsford did report that both customer service representatives Amanda Cheatham and Tiffany Richardson looked into the substantial AP refund and were able to clarify that the payment was made in error to KPUD through the online billing process.

Engineering

Emergency Update

Engineer Bill Whiteley stated there is nothing new to report or changes in the engineering emergency update, Construction Manager Todd Smith may have an update on the construction emergency update.

Meadowmeer Project Update

Mr. Whiteley reported that he and staff continue to work on the chlorination disinfection approval and working with the Arborwood engineers on the Arborwood development design in Kingston.

Seabeck Creek Culvert Replacement Update

Mr. Whiteley reported that the pipe has been moved down by a couple of feet, by Tetra Tech the design engineers, so it's not in view of the passing motorists. Decisions are still in the works as to whether or not to proceed with the project, if it is considered essential work or not at this time.

Construction Update

Construction Project Manager Todd Smith reported that the construction crew is out on the ridge on Phase 8 finishing up on the final connection which will be completed today and there is still some erosion control and clean up that needs to be done tomorrow on their way out. Mr. Smith also mentioned that the Arness Tree Farm is nearing the extension off of the Districts pipe.

On Bainbridge Island, the Baker Hill generator startup will be this coming Thursday wrapping up that project.

Mr. Smith also stated that his construction crew, Telecom Business Manager Angela Bennink and Superintendent of Operations Dave Epperson have been working together on the conduit install telecom construction projects that are coming out, which will take place in a week or two.

Mr. Smith also reported he will be meeting with the City of Bainbridge Island Operation and Maintenance crew tomorrow at their wastewater treatment plant site for cabinet placement.

Water Resources/Education**Emergency Update**

Water Resources Manager Mark Morgan reported that everything continues to go well with water resources and are preparing to resume back to more normal activities.

Mr. Morgan stated that the District has been in the process of changing over the hydrologic data base from AFSED to a new platform and are close to completion with the help of IT Manager Paul Green, Information Systems Manager Melissa Dennis, Groundwater Resource Manager Joel Purdy and Brendan Grant with King County Natural Resource and getting close. Staff is also gearing up to start regulatory water sampling, as summer is generally a busy time for that process. Water Quality Technician Jesse Cooper worked on unregulated contaminants monitoring for the North Peninsula. He and staff continue to wait on resuming normal activities albeit in a more modified approach.

Water Operations**Emergency Update**

Superintendent of Operations Dave Epperson informed the Board that staff and field crew continue to do well, with not much more to report under emergency updates with the exception of child care, which the District will continue to work with staff going forward.

Newberry Well #2 Pump Update

Mr. Epperson reported that the pump has been ongoing for nearly 10 months now and recently a Silverdale Water District (SWD) operator that conducts site visits noticed sound and vibrations coming from the motor. After bringing in a technician to evaluate it was recommended that the well pump be shut off and serviced. The District's Groundwater Resource Manager and Hydrologist Joel Purdy is the liaison between KPUD and SWD, he indicated that it may be possible to service while maintaining the pump online. Discussion ensued.

Operations and Maintenance

Mr. Epperson reported field crews are flushing iron and manganese at this time removing inorganic material from the District's groundwater sources as posted on the website.

SCADA Improvement Project update

Superintendent of Operations Epperson stated that the final payment has been made as shown on the APs to Z Engineers. Mr. Epperson will continue to work with Brian Ziesmer to discuss the new contract moving forward.

Assistant Manager**Emergency Update**

Assistant Manager Jason Nutsford informed the Board that the District is continuing to secure Personal Protective Equipment (PPE) along with other supplies for current and future needs. Masks have been ordered through FEMA, 330 masks are anticipated with will provide 5 masks per employee, they are expected to arrive by next week. Discussion ensued.

Federal Emergency Management Agency (FEMA) Update

Mr. Nutsford reported speaking to the Program Delivery Manager regarding the FEMA funding related to the Public Assistance Grant, which turned out to be a very limited amount of coverage only addressing specific items. The District will continue to log time and track purchases during the COVID-19 time to see if it meets the threshold of even being able to submit a claim.

Kitsap PUD's COVID-19 Safety Plan

Mr. Nutsford reported that on May 15, 2020 an all staff meeting was held to discuss KPUD's COVID-19 Safety Plan put together with DOH, L&I and CDC recommendations. Management went over the highlights with employees and continued to train through departments. Staff is very confident with where the plan is today, however there is a complete understanding that things will continue to change and the plan will be updated weekly if necessary. Mr. Nutsford stated that the safety plan has been added to the in-house intranet for easy access to each employee.

Harassment Awareness Training

Mr. Nutsford updated the Board on the harassment training, the first session was provided on May 21, 2020 and stated that it went better than anticipated using the WebEx platform. The training was well attended with high participation. The next session is scheduled for June 1, 2020.

Fraudulent Unemployment Claims

Mr. Nutsford stated that he has sent out several emails regarding fraudulent unemployment claims that have been made state wide recently and emailed those employees affected by it. Discussion ensued.

Electronic Signatures

Mr. Nutsford also reported that the District has signed up with DocuSign and will be providing training tomorrow for staff that will be using the software. All documents being approved at today's meeting will be sent out for eSignatures using DocuSign as well as all future LUDs and other documents requiring a signature and possible LUD participation verifications.

Ground Vehicle Replacement

Assistant Manager Nutsford informed the Board that with changes due to COVID-19 there will no longer be a need for summer hires at this time and the urgency for a used grounds vehicle has changed. The District will now be able to go through the Washington State Department of

Enterprise Service procurement process with an estimated cost of \$27,000 for a new grounds vehicle if the Board allows staff to move forward. The Board agreed for staff to proceed.

Geographic Information Systems (GIS) Department

Emergency Update

GIS Manager Katrina Harris stated there is nothing new to report for the emergency update.

Current Activities

GIS Manager Harris reported that on the water side staff is continuing the software upgrade for AutoCAD for Engineer Bill Whiteley and entering LUD #23 Taylor/New Sweden, Bainbridge Island into the system and including it into the 811 Dial Before you Dig center. GIS staff is also working with Information Systems Manager Melissa Dennis this week on starting a full system meter audit, and working with Water Resources Manager Mark Morgan on a lead and copper study system for the 2020 year.

Ms. Harris informed the Board that GIS will be releasing the new telecom symbology tomorrow. GIS will also start design phase and working on getting the first design completed by the end of this week. Ms. Harris worked with Information Systems Manager Melissa Dennis in connecting the telecom data bases and launching the telecom map change request status.

Telecom Operations

Emergency Update

Telecom Superintendent Paul Avis reported that the Telecom Department will start rolling out in-house construction with the assistance of Construction Project Manager Todd Smith's construction crew within the next couple of weeks. Mr. Avis also informed the Board that telecom is wrapping up the WiFi Hotspot designs of which three will be completed today and released to contractors. At Commissioner Lester's request, Mr. Avis and Ms. Bennink provided a brief summary about the temporary WiFi Hotspots for today's visitor.

Residential Updates

Telecom Business Manager Angela Bennink reported LUD #26 Big Valley Rd, in Poulsbo a large project for telecom and nearly 50% complete, this is also part of the CERB funding of which \$500,000 is from the grant and \$500,000 loan for that project. Telecom will be requesting for the first installment of that funding, in addition telecom will be drawing from the 2 million dollar line of revolving credit and reimburse once the funds from CERB arrive, as staff does not know how long that can be at this time.

Telecom Budget & Funding

Telecom Business Manager Angela Bennink indicated that she already touched on the subject with the discussion of the 2 million dollar revolving line of credit that telecom will be drawing \$400,000 to help reimburse for the Big Valley project and equipment associated with that until the funds arrive from CERB. The other \$400,000 will be for a variety of LUDs or NCLUDs, once finalized the line of credit will be reimbursed and continue to fund other LUDs/NCLUDs as they come in.

NoaNet Update

Telecom Business Manager Bennink reported that NoaNet has been in the news a lot lately, as we have all heard that they continues to support the state with putting WiFi Hotspots out, with this more recognition in a state level has been made. This has been great for that organization as well as for PUD owners of that organization that will continue to support what NoaNet is able to do. Discussion ensued.

Commissioner Lester commented that she attended the last NoaNet meeting as she was interested in the funding aspect. Mention was made of the CERB with 2 million in funding, not sure about 2021, the Public Works Board with 2 million max for projects and, ReConnect \$550 million in

grants and \$200 million in loans, the Rural Digital Opportunity Fund and an interesting prospect with Tilson Engineering. Commissioner Lester inquired as to whether any of these would have potential in pursuing or others. Telecom Business Manager Bennink responded that to the benefits and time lines of each. Discussion ensued.

Manager

General Manager Bob Hunter provided an update on Attorney Bill Broughton, who was unable to attend today's meeting due to undergoing emergency surgery. Mr. Hunter spoke with him this morning and stated that he sounds good and hopes to be released in the next day or two.

Emergency Update

General Manager Bob Hunter stated it has been conveyed to all employees that business as usual will commence on June 1, 2020, meaning that the normal amount of work expected on a daily basis, such as normal maintenance duties that had been postponed or not deemed essential are to resume. However reporting back to the office will not fully happen as of yet it will be modified, and several employees with District vehicles at their homes will continue to report for work from there to their supervisors. All management staff that spoke earlier have done a fabulous as a collective team working together to maintain the social distancing needed

2020 Budget Concerns as a Result of COVID-19

General Manager Hunter stated that as far as revenues go, overall from last month to this month, there is an increase in cash of nearly \$700,000. Water sales are 5% higher than they were this time last year. Telecom sales are up 16% in monthly revenues over last year, which makes sense as telecom is growing at a rapid pace. Discussion ensued.

New Facility Update

General Manager Hunter stated there is nothing new to report at this time.

Bill Point Update (Bainbridge Island)

General Manager Hunter stated there is nothing new to report at this time.

Finance Manager

General Manager Hunter reported that the title and announcement will be changed to Finance Director. After much research and several conversations this will be the best fit. Mr. Hunter stated that other titles will be changed later in the year and conversation will be continued with staff and the Board. Discussion was held regarding the pay scale ranging from \$94,000 to \$139,000 equivalent to department head superintendents, ranging on experience. Mr. Hunter anticipates finalizing the announcement for Finance Director by June 22, 2020 interview in July and hired by August 1, 2020. Discussion ensued.

Legislative Efforts

General Manager Bob Hunter stated that the team made up of Consultant Jim Boldt, Lisa Thatcher, Telecom Business Manager Angela Bennink on occasion Superintendent of Telecom Paul Avis and himself continue to work on determining what is needed outside of full retail authority to be able to apply for federal funding to help with school districts and government to government fiber. Mr. Hunter informed the Board that Consultant Jim Boldt reached out to the Utilities Technology Council (UTC) about becoming an Ancillary Terrestrial Component (ATC), they indicated to him that the limited retail authority we currently have, could make us that. The team has developed questions and submitted them to the UTC for solid answers. Before moving forward we will wait to hear and know exactly what the answers are and what the ramification are. Discussion ensued.

Kitsap Economic Development Alliance (KEDA) Update

General Manager Bob Hunter reported that Executive Director John Powers is retiring in September from KEDA. Mr. Powers has reached out to KPUD and requested if we would administer an EDA Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding he is promoting, Mr. Hunter informed the Board that he indicated that the District would accept. Mr. Hunter, Ms. Bennink, Superintendent of Central Kitsap School District Greg Lynch, school superintendents from Clallam and Russ Elliott Director of the State Broadband Office will be attending a meeting later today. More information will be provided as it becomes available. Discussion ensued.

Commissioner Discussion & Agenda Requests

Commissioner Civilla requested that financials be forwarded to the Board.

Commissioner Civilla also congratulated General Manager Bob Hunter for being awarded the state health department's Lifetime Achievement Award.

Commissioner Pauley shared discussions held during the Managers Meeting last week regarding comments made by Chris Reykdal regarding education, educational equity and broadband for students and funding.

Commissioner Pauley also shared that in the Friday Facts it mentioned that Sen. Amy Klobuchar submitted a bill for more federal funding for broadband for students. Ms. Pauley is very encouraged to see if we can move forward with the EDA CARES Act funding in order to see all students have access to education.

Commissioner Pauley reported that she will be a Washington State Delegate at State Party Convention June, which will be online only. This will be a chance to vote on the state party platform that will be sent to the national convention in August.

Commissioner Lester congratulated Commissioner Civilla for another six (6) year term as Commissioner for South Kitsap District-2 at Kitsap PUD, and looks forward to doing more good work with Mr. Civilla.

Commissioner Lester reported attending the COVID-19 meetings along with Superintendent of Operations Dave Epperson and Commissioner Heather Pauley. Ms. Lester shared that she has had phone conversations with several individuals from Bellingham regarding telecommunications/broadband service. Through one of those conversations she has been invited to be a panelist in a Zoom meeting tomorrow at 7:00 p.m. along with PUD #1 of Whatcom County Commissioner Atul Deshmane and others. Ms. Lester recommended that Mason PUD 3 General Manager Annette Creekpaum also attend. The meeting is titled "Pathways to Public Power a Community Conversation on PUDs" Ms. Lester's indicated that her topic will be about what KPUD does, what KPUD's utilities are and KPUDs focus on broadband. She will reach out to General Manager Hunter for any guidance in that conversation.

Commissioner Lester also shared Commissioners Civilla concern with the amount of Zoom meetings taking place. She indicated that the best way to be mindful when scheduling meetings. She inquired if Commissioner Civilla had any other concerns. Mr. Civilla responded that he only asked that commissioners be conscientious of the budget. Commissioner Lester stated that she would continue to research and bring back potential policy and requirements for meetings best practices as well.

Commissioner Lester also requested that information regarding the EDA match for KEDA be included on the following agenda. She also requested more information regarding the policies and opportunities to collaborate with other memberships for NoaNet funding. Telecom Business Manager Angela Bennink provided the information to Commissioner Lester that she missed hearing when her internet connection dropped during an earlier report.

Commissioner Civilla thanked everyone and stated that he is looking forward to six more years with this great organization. The last eight years went by so fast, and he enjoys working with everyone here as we continue to do great things and enjoys working with the other two

commissioners. Not only is he ecstatic about the next six year, but extremely ecstatic that no one ran against him and he does not have to campaign.

Visitor

Commissioner Lester welcomed Mr. Roger Gay to address the Board. Mr. Gay thanked the Board and stated that he does pretty well with Wave, he gets about 250 Meg. He shared that he attends several Zoom meetings with the County along with many others and one of the items brought up at a past meeting was the Department of Emergency Management and the Emergency Operations Center (DOC) are combining all the PPE request from many organizations for within the county and outside. He wasn't sure if the PUD was aware of that, and also indicated that an organization on Bainbridge Island that is acting as a broker. They are not buying the material; however they are investigating who has the best materials and best supplies, something to think about as a potential possibility.

Mr. Gay also stated that he appreciates what the PUD is doing, and believes the District will get a lot more attention over the next few months due to the internet issues and the growth that is happening in the county. Mr. Gay also congratulated Mr. Civilla.

Board Meeting

The next board meeting will be held June 9, 2020 beginning at 9:30 a.m. via a Zoom video teleconference a link will be posted.

Adjournment

Having no further business, the regular meeting was duly adjourned at 11:33 a.m.

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Debra Lester 6/24/2020
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Commissioner Debra Lester

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H. Pauley 6/24/2020
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Commissioner Heather Pauley

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Commissioner James T. Civilla